



For Immediate Release

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COMMISSIONER OF INSURANCE MIKE CHANEY PRAISES PASSAGE OF PACE ACT

New Health Care Legislation Benefits Small Business Owners in Mississippi

Jackson- To purchase a group health insurance policy for their employees, small businesses in Mississippi will continue to be defined as a business with 50 employees or less thanks to the passage of the Protecting Affordable Coverage for Employees or PACE Act.

The PACE act, a bipartisan health care bill passed by unanimous consent in both houses of Congress and signed by President Obama, gives states the authority to define “small group” in a manner consistent with their state’s needs. It also rolls back a provision in the Affordable Care Act that would have expanded the definition of small employers from groups of up to 50 employees to include groups of up to 100 employees.

Such an expansion would have prevented mid-size employers from keeping the plans they currently have and instead forced them to select a new plan offered in the small group market, putting severe financial stress on their business. Mid-size employers would have been subjected to the modified community rating rules, meaning that rating would be determined by age, geography, tobacco use and family size. These same employers would have no longer been able to receive discounts based on their actual claims experience and would instead have had to comply with the actuarial value, cost-sharing and essential health benefit requirements. An analysis by the [Oliver Wyman](#) group found that under the expansion, two-thirds of groups in the 51-100 market would have received premium increases of an average of 18 percent in 2016.

“This is a huge victory for small businesses in Mississippi, who will ultimately save thousands of dollars in insurance premiums,” Commissioner of Insurance Mike Chaney said.

“I want to publicly thank the members of the Mississippi Congressional delegation, in particular Senators Cochran and Wicker, co-sponsors of the Senate bill, who were outspoken supporters of this legislation.”

The Congressional Budget Office has estimated that the PACE Act will reduce the deficit by \$400 million over ten years because it would reduce premiums in the mid-size employer market, thus increasing taxable income of employees.

Chaney added again, that while he may not agree with everything in the Affordable Care Act, it remains the law of the land and that he and the Mississippi Insurance Department will continue to work within the framework of the law to regulate health insurance for the benefit of all Mississippians.